

Senate Amendment to  
House File 640

H-1454

Amend House File 640, as amended, passed, and  
reprinted by the House, as follows:

1. By striking everything after the enacting clause  
and inserting:

<DIVISION I

LEGISLATIVE INTENT

Section 1. USE OF RENEWABLE FUELS. The general  
assembly finds and declares all of the following:

1. In accordance with the federal Energy Policy  
Act of 2005, Pub. L. No. 109-58, as amended by the  
federal Energy Independence and Security Act of 2007,  
Pub. L. No. 110-140, the United States has demonstrated  
its commitment to the long-term policy of increasing  
the production of clean renewable fuels according to  
a renewable fuel standard, sometimes referred to as  
"RFS2," by requiring the increased domestic production  
and use of renewable fuels, which include total  
renewable biofuels such as ethanol, advanced biofuels,  
cellulosic and agricultural waste-based biofuels, and  
biomass-based biodiesel.

2. The renewable fuel standard provides the  
foundation for reducing dependence on foreign  
sources of crude oil, reducing the price of domestic  
transportation fuels, reducing greenhouse gases,  
increasing farm income, and encouraging the development  
and expansion of a new industry, and consequently  
promoting economic growth.

3. The rising price of petroleum hampers this  
nation's economic recovery and contributes to  
increasing retail prices, including increased costs  
attributable to the transportation of food and other  
goods, that drain the finances of both consumers and  
business.

4. The United States Environmental Protection  
Agency is responsible for establishing and implementing  
the renewable fuel standard, including by requiring  
that certain volumes of various types of biofuels  
be blended in transportation fuels each year with  
authority to adjust those volumes due to availability.

5. The United States government should renew its  
commitment to this nation's energy security, move the  
United States toward greater energy independence and  
security as required by the federal Energy Independence  
and Security Act, and use all efforts to meet the  
highest possible renewable fuel volume requirements set  
forth in the renewable fuel standard in order to ensure  
that this nation achieves energy independence.

DIVISION II

MOTOR FUEL MARKETING

Sec. 2. Section 214A.1, Code 2013, is amended by

1 adding the following new subsections:

2 NEW SUBSECTION. 8A. "Distributor" means the same  
3 as defined in section 452A.2.

4 NEW SUBSECTION. 12A. "Marketer" means a dealer,  
5 distributor, nonrefiner biofuel manufacturer, or  
6 supplier.

7 NEW SUBSECTION. 16A. "Nonrefiner biofuel  
8 manufacturer" means the same as defined in section  
9 452A.2.

10 NEW SUBSECTION. 18A. "Pipeline company" means the  
11 same as defined in section 479B.2.

12 NEW SUBSECTION. 18B. "Refiner" means a person  
13 engaged in the refining of crude oil to produce motor  
14 fuel, and includes any affiliate of such person.

15 NEW SUBSECTION. 23A. "Supplier" means the same as  
16 defined in section 452A.2.

17 NEW SUBSECTION. 23B. "Terminal" means the same as  
18 defined in section 452A.2.

19 NEW SUBSECTION. 23C. "Terminal operator" means the  
20 same as defined in section 452A.2.

21 NEW SUBSECTION. 23D. "Terminal owner" means the  
22 same as defined in section 452A.2.

23 Sec. 3. Section 214A.20, subsection 1, Code 2013,  
24 is amended to read as follows:

25 1. A retail dealer or other marketer, pipeline  
26 company, refiner, terminal operator, or terminal  
27 owner is not liable for damages caused by the use  
28 of incompatible motor fuel dispensed at the retail  
29 dealer's retail motor fuel site, if all of the  
30 following applies:

31 a. The incompatible motor fuel complies with the  
32 specifications for a type of motor fuel as provided in  
33 section 214A.2.

34 b. The incompatible motor fuel is selected by a  
35 ~~person other than the retail dealer, including an~~  
36 ~~employee or agent of the retail dealer~~ the end consumer  
37 of the motor fuel.

38 c. The incompatible motor fuel is dispensed from a  
39 motor fuel pump that correctly labels the type of fuel  
40 dispensed.

41 Sec. 4. Section 323.1, Code 2013, is amended by  
42 adding the following new subsections:

43 NEW SUBSECTION. 01. "Blender pump" means a motor  
44 fuel blender pump as defined in section 214.1 that  
45 dispenses motor fuel or special fuel in a manner  
46 required pursuant to chapters 214 and 214A.

47 NEW SUBSECTION. 3A. a. "Dispenser" means a meter  
48 or similar commercial weighing and measuring device  
49 used to measure and dispense motor fuel or special  
50 fuel, including renewable fuel, originating from a

1 storage tank used to store fuel.  
2 *b. "Dispenser"* includes but is not limited to a  
3 motor fuel pump or blender pump.  
4 NEW SUBSECTION. 7A. *"Motor fuel pump"* means the  
5 same as defined in section 214.1 that dispenses motor  
6 fuel or special fuel in a manner that complies with  
7 standards set forth in chapters 214 and 214A.  
8 NEW SUBSECTION. 7B. *"Refiner"* means a person  
9 engaged in the refining of crude oil to produce motor  
10 fuel or special fuel, and includes any affiliate of  
11 such person.  
12 NEW SUBSECTION. 7C. *"Renewable fuel"* means the  
13 same as defined in section 214A.1 that complies with  
14 standards set forth in section 214A.2.  
15 NEW SUBSECTION. 11. *"Storage tank"* means a  
16 motor fuel storage tank as defined in section 214.1,  
17 including an underground storage tank subject to  
18 regulation under chapter 455G.  
19 NEW SUBSECTION. 12. *"Supplier"* means the same as  
20 defined in section 452A.2.  
21 Sec. 5. NEW SECTION. 323.4A Use of renewable fuel.  
22 1. Except as provided in subsection 3, this section  
23 applies to a supply agreement or other document  
24 executed on or after the effective date of this  
25 division of this Act by parties who are receiving and  
26 furnishing motor fuel or special fuel as follows:  
27 *a.* A dealer who is a party receiving motor fuel  
28 or special fuel from another party who is a refiner,  
29 supplier, or distributor furnishing the motor fuel or  
30 special fuel.  
31 *b.* A distributor who is a party receiving motor  
32 fuel or special fuel from another party who is a  
33 refiner, supplier, or other distributor furnishing the  
34 motor fuel or special fuel.  
35 2. A supply agreement or other document shall not  
36 contain a provision restricting a dealer or distributor  
37 who is a party receiving motor fuel or special fuel  
38 from the other party furnishing the motor fuel or  
39 special fuel as described in subsection 1 from doing  
40 any of the following:  
41 *a.* Installing, converting, or operating a storage  
42 tank or a dispenser located on the distributor's  
43 or dealer's business premises for use in storing or  
44 dispensing renewable fuel. However, this paragraph  
45 does not apply to a dealer or distributor whose  
46 business premises are leased from the other party  
47 furnishing the renewable fuel.  
48 *b.* Using a dispenser to dispense ethanol blended  
49 gasoline, including gasoline with a specified blend or  
50 a range of blends under chapter 214A, if the dispenser

1 is approved as required by the state fire marshal for  
2 dispensing the specified blend or range of blends,  
3 including as provided in section 455G.31.

4 c. Purchasing, selling, or dispensing motor fuel  
5 or special fuel that is a renewable fuel from a source  
6 other than the party furnishing other motor fuel or  
7 special fuel, if such party furnishing the other motor  
8 fuel or special fuel does not furnish motor fuel or  
9 special fuel that is a renewable fuel for sale by the  
10 distributor or dealer.

11 d. Marketing the sale of any renewable fuel,  
12 including but not limited to advertising its  
13 availability or price on a sign, on a dispenser, or by  
14 media.

15 e. Selling or dispensing renewable fuel in any  
16 specified area located on the distributor's or dealer's  
17 business premises, including but not limited to any  
18 area in which a name or logo of a franchiser or any  
19 other entity appears.

20 f. Using a payment form for the sale of a renewable  
21 fuel by the retail dealer that is the same type as the  
22 payment form used for the sale of another type of motor  
23 fuel or special fuel by the dealer on the dealer's  
24 retail premises.

25 3. This section does not apply to any activity  
26 that constitutes mislabeling, misbranding, willful  
27 adulteration, or other trademark violation by a dealer.

28 Sec. 6. Section 452A.2, Code 2013, is amended by  
29 adding the following new subsections:

30 NEW SUBSECTION. 6A. "Conventional blendstock  
31 for oxygenate blending" means one or more motor fuel  
32 components intended for blending with an oxygenate or  
33 oxygenates to produce gasoline.

34 NEW SUBSECTION. 9A. "Diesel fuel" or "diesel" means  
35 diesel fuel as defined in section 214A.1.

36 NEW SUBSECTION. 28A. "Nonrefiner biofuel  
37 manufacturer" means an entity that produces,  
38 manufactures, or refines biofuel and does not directly  
39 or through a related entity refine, blend, import,  
40 or produce a conventional blendstock for oxygenate  
41 blending, gasoline, or diesel fuel.

42 NEW SUBSECTION. 30A. "Refiner" means a person  
43 engaged in the refining of crude oil to produce motor  
44 fuel or special fuel, and includes any affiliate of  
45 such person.

46 NEW SUBSECTION. 37A. "Terminal owner" means a  
47 person who holds a legal interest or equitable interest  
48 in a terminal.

49 Sec. 7. NEW SECTION. 452A.6A Right of distributors  
50 and dealers to blend conventional blendstock for

1 oxygenate blending, gasoline, or diesel fuel using a  
2 biofuel.

3 1. a. A dealer or distributor may blend a  
4 conventional blendstock for oxygenate blending,  
5 gasoline, or diesel fuel using the appropriate biofuel,  
6 or sell unblended or blended gasoline or diesel fuel on  
7 any premises in this state.

8 b. Paragraph "a" does not apply to the extent that  
9 the use of the premises is restricted by federal,  
10 state, or local law.

11 2. A refiner, supplier, terminal operator, or  
12 terminal owner who in the ordinary course of business  
13 sells or transports a conventional blendstock for  
14 oxygenate blending, gasoline unblended or blended with  
15 a biofuel, or diesel fuel unblended or blended with  
16 a biofuel shall not refuse to sell or transport to  
17 a distributor or dealer any conventional blendstock  
18 for oxygenate blending, unblended gasoline, or  
19 unblended diesel fuel that is at the terminal, based  
20 on the distributor's or dealer's intent to use the  
21 conventional blendstock for oxygenate blending, or  
22 blend the gasoline or diesel fuel with a biofuel.

23 3. This section shall not be construed to do any of  
24 the following:

25 a. Prohibit a distributor or dealer from  
26 purchasing, selling or transporting a conventional  
27 blendstock for oxygenate blending, gasoline that has  
28 not been blended with a biofuel, or diesel fuel that  
29 has not been blended with a biofuel.

30 b. Affect the blender's license requirements under  
31 section 452A.6.

32 c. Prohibit a dealer or distributor from leaving a  
33 terminal with a conventional blendstock for oxygenate  
34 blending, gasoline that has not been blended with a  
35 biofuel, or diesel fuel that has not been blended with  
36 a biofuel.

37 d. Require a nonrefiner biofuel manufacturer to  
38 offer or sell a conventional blendstock for oxygenate  
39 blending, gasoline that has not been blended with a  
40 biofuel, or diesel fuel that has not been blended with  
41 a biofuel.

42 4. A refiner, supplier, terminal operator, or  
43 terminal owner who violates this section is subject to  
44 a civil penalty of not more than ten thousand dollars  
45 per violation. Each day that a violation continues is  
46 deemed a separate offense.

#### 47 DIVISION III

#### 48 STORAGE TANKS

49 Sec. 8. Section 101.21, subsection 1, paragraphs a  
50 through c, Code 2013, are amended to read as follows:

1 ~~a. Aboveground tanks of~~ An aboveground tank which  
2 complies with any of the following:

3 (1) Has one thousand one hundred gallons or less  
4 capacity.

5 (2) Stores flammable liquids on a farm located  
6 outside the limits of a city, if the aboveground tank  
7 has two thousand gallons or less capacity.

8 (3) Stores combustible liquids on a farm located  
9 outside the limits of a city, if the aboveground tank  
10 has five thousand gallons or less capacity.

11 ~~b. Tanks~~ A tank used for storing heating oil for  
12 consumptive use on the premises where stored.

13 ~~c. Underground~~ An underground storage tanks tank as  
14 defined by section 455B.471.

15 Sec. 9. Section 101.21, Code 2013, is amended by  
16 adding the following new subsection:

17 NEW SUBSECTION. 1A. *a. "Farm"* means land and  
18 associated improvements used to produce agricultural  
19 commodities, if at least one thousand dollars is  
20 annually generated from the sale of the agricultural  
21 commodities.

22 *b.* As used in paragraph "a", "*commodities*" means  
23 crops as defined in section 202.1 or animals as defined  
24 in section 459.102.

25 Sec. 10. Section 101.22, subsections 4 through 8,  
26 Code 2013, are amended to read as follows:

27 4. The registration notice of the owner or operator  
28 to the state fire marshal under subsections 1 through  
29 3 shall be accompanied by an annual fee of ~~ten~~ twenty  
30 dollars for each tank included in the notice. All  
31 moneys collected shall be retained by the department of  
32 public safety and are appropriated for the use of the  
33 state fire marshal. The annual renewal fee applies to  
34 all owners or operators who file a registration notice  
35 with the state fire marshal pursuant to subsections 1  
36 through 3.

37 ~~5. A person who deposits flammable or combustible~~  
38 ~~liquid in an aboveground flammable or combustible~~  
39 ~~liquid storage tank shall notify the owner or operator~~  
40 ~~in writing of the notification requirements of this~~  
41 ~~section.~~

42 ~~6.~~ A person who sells or constructs a tank intended  
43 to be used as an aboveground storage tank shall  
44 notify the purchaser of the tank in writing of the  
45 notification requirements of this section applicable  
46 to the purchaser.

47 ~~7. 6. It is unlawful to deposit flammable or~~  
48 ~~combustible liquid in~~ An owner or operator shall  
49 register an aboveground flammable or combustible liquid  
50 storage tank ~~which has not been registered~~ pursuant to

1 subsections 1 through 4.

2 ~~8.~~ 7. The state fire marshal shall furnish the  
3 owner or operator of an aboveground flammable or  
4 combustible liquid storage tank with a registration tag  
5 for each aboveground flammable or combustible liquid  
6 storage tank registered with the state fire marshal.

7 ~~a.~~ The owner or operator shall affix the tag to the  
8 fill pipe of each registered aboveground flammable or  
9 combustible liquid storage tank.

10 ~~b.~~ ~~A person who conveys or deposits flammable~~  
11 ~~or combustible liquid shall inspect the aboveground~~  
12 ~~flammable or combustible liquid storage tank to~~  
13 ~~determine the existence or absence of the registration~~  
14 ~~tag. If a registration tag is not affixed to the~~  
15 ~~aboveground flammable or combustible liquid storage~~  
16 ~~tank fill pipe, the person conveying or depositing~~  
17 ~~the flammable or combustible liquid may deposit the~~  
18 ~~flammable or combustible liquid in the unregistered~~  
19 ~~tank. However, only one deposit is allowed into~~  
20 ~~the unregistered tank, the person making the deposit~~  
21 ~~shall provide the owner or operator of the tank with~~  
22 ~~another notice as required by subsection 5, and the~~  
23 ~~person shall provide the owner or operator with an~~  
24 ~~aboveground flammable or combustible liquid storage~~  
25 ~~tank registration form.~~

26 ~~c.~~ ~~It is the owner or operator's duty to comply~~  
27 ~~with registration requirements.~~

28 8. A late registration penalty of twenty-five  
29 dollars is imposed in addition to the registration fee  
30 for a tank registered after the required date.

#### 31 DIVISION IV

#### 32 FUEL TAX

33 Sec. 11. Section 452A.3, subsection 1, unnumbered  
34 paragraph 1, Code 2013, is amended to read as follows:

35 Except as otherwise provided in this section and  
36 in this division, until June 30, ~~2013~~ 2014, this  
37 subsection shall apply to the excise tax imposed on  
38 each gallon of motor fuel used for any purpose for the  
39 privilege of operating motor vehicles in this state.

40 Sec. 12. Section 452A.3, subsection 1A, Code 2013,  
41 is amended to read as follows:

42 1A. Except as otherwise provided in this section  
43 and in this division, after June 30, ~~2013~~ 2014, an  
44 excise tax of twenty cents is imposed on each gallon of  
45 motor fuel used for any purpose for the privilege of  
46 operating motor vehicles in this state.

47 Sec. 13. EFFECTIVE UPON ENACTMENT. This division  
48 of this Act, being deemed of immediate importance,  
49 takes effect upon enactment.>

50 2. Title page, lines 6 and 7, by striking<providing

for liability,>

2 3. By renumbering, redesignating, and correcting  
3 internal references as necessary.